

## Message Text

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17

ACTION XMB-04

INFO OCT-01 EA-07 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 PA-01 PRS-01 L-03 H-02 /084 W

----- 112929

R 030933Z AUG 76

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 0588

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E.O. 11652: N/A

TAGS: OVIP, EFIN, TW

SUBJ: VISIT OF EXIMBANK CHAIRMAN DUBRUL TO ROC

1. SUMMARY. EXIMBANK CHAIRMAN STEPHEN M. DUBRUL, JR., ACCOMPANIED BY PERSONAL ASSISTANT MRS. MARGARET HUNT, VISITED TAIPEI FROM JULY 28 TO AUGUST 1, 1976. SCHEDULE INCLUDED COURTESY CALLS ON PRESIDENT YEN, PREMIER CHIANG CHING-KUO, MINISTERS FEI (FINANCE), LIN (COMMUNICATIONS), SUN (ECONOMIC AFFAIRS), AND CENTRAL BANK GOVERNOR YU, AND INITIAL DISCUSSION WITH AMBASSADOR UNGER. WORKING SESSION AT FINANCE MINISTRY INCLUDED DETAILED BRIEFING ON ROC ECONOMY AND DISCUSSION OF ELEVEN NEW PROJECTS FOR POSSIBLE EXIMBANK FINANCING. DUBRUL TOURED CONSTRUCTION SITE OF NEW YAOYUAN INTERNATIONAL AIRPORT, AND ALTHOUGH TIME DID NOT PERMIT VISIT TO OTHER MAJOR PROJECTS RECEIVING EXIMBANK FINANCING, HE WAS GIVEN BRIEFING (INCLUDING MOTION PICTURE FILE) BY TAIPOWER ON STATUS OF NUCLEAR POWER PROJECTS. THE CHAIRMAN SEEMED IMPRESSED WITH VIGOR OF ROC ECONOMY, AND EXPRESSED CONFIDENCE THAT EXIMBANK COULD CONTINUE MUTUALLY BENEFICIAL RELATIONSHIP WITH THIS COUNTRY. END SUMMARY.

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2. CHAIRMAN DUBRUL WAS WARMLY WELCOMED TO ROC. HE WAS MET AT AIRPORT BY DELEGATION INCLUDING FINANCE VICE MINISTER HSU LI-TEH, AND TAIPOWER PRESIDENT CHEN AND WAS SEEN OFF BY FINANCE MINISTER FEI. IN ADDITION TO CALLS ON KEY GROC OFFICIALS MENTIONED ABOVE, DUBRUL PAID "SENTIMENTAL" VISIT TO FORMER FINANCE MINISTER K.T. LI AT HIS HOME.

3. AT WORKING SESSION ON JULY 29, FINANCE MINISTER FEI PRESENTED ELEVEN NEW PROJECTS FOR POSSIBLE EXIMBANK FINANCING. ESTIMATED TOTAL U.S. EXPORT VALUE OF THESE PROJECTS IS \$236.8 MILLION OF WHICH EXIMBANK WOULD BE ASKED TO FINANCE \$106.57 MILLION IN DIRECT LOANS AND \$41.74 MILLION IN GUARANTEES. LARGEST PROJECT INVOLVED ACQUISITION BY CHINA AIRLINES (CAL) OF A NEW BOEING 747-200B AIRCRAFT FOR DELIVERY IN DECEMBER 1977. TOTAL INVESTMENT WOULD BE \$51.3 MILLION. CAL IS AS YET UNDECIDED WHETHER TO PURCHASE THE AIRCRAFT OR WORK OUT A LEASE ARRANGEMENT (POSSIBLY WITH BOEING). IF LATTER ALTERNATIVE ELECTED, CAL WOULD EXPECT TO MAKE 30 SEMI-ANNUAL RENTAL PAYMENTS, WITH EXIMBANK GUARANTEEING THE ARRANGEMENT.

4. SUMMARY OF PROPOSED PROJECTS FOLLOWS: WILL BE NOTED THAT MOST ARE IN PUBLIC SECTOR.

| PROJECT | TOTAL U.S.<br>EXPORT VALUE<br>(MILLION U.S. DOLLARS) | EXIMBANK<br>LOAN | EXIMBANK<br>GUARANTEE |
|---------|--|------------------|-----------------------|
|---------|--|------------------|-----------------------|

|  |       |      |      |
|--|-------|------|------|
| (1) PURCHASE OF NEWS-<br>PRINT PAPERMAKING<br>MACHINE (TAIWAN<br>CHUNG HSING PAPER<br>CORP.) | 10.00 | 4.50 | 2.25 |
|--|-------|------|------|

|   |       |       |      |
|---|-------|-------|------|
| (2) METHANOL PRODUCTION<br>PLANT (CHINESE<br>PETROLEUM CORP.) | 30.00 | 13.50 | 6.75 |
|---|-------|-------|------|

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|  |       |      |      |
|--|-------|------|------|
| (3) ACETIC ACID PRODUC-<br>TION PLANT (CHINA<br>PETROCHEMICAL<br>DEV. CORP.) | 12.50 | 5.63 | 2.81 |
|--|-------|------|------|

(4) TELECOMMUNICATIONS  
DEVELOPMENT (DGT,  
MINISTRY OF COMMUNI-

|          |       |       |      |
|----------|-------|-------|------|
| CATIONS) | 40.00 | 18.00 | 9.00 |
|----------|-------|-------|------|

(5) LUBE OIL PLANT  
EXPANSION (CHINA

|               |       |      |      |
|---------------|-------|------|------|
| GULF OIL CO.) | 20.00 | 9.00 | 4.50 |
|---------------|-------|------|------|

(6) PURCHASE OF  
BOEING 747-200B

|                  |       |       |    |
|------------------|-------|-------|----|
| (CHINA AIRLINES) | 51.30 | 23.09 | -- |
|------------------|-------|-------|----|

(7) TITANIUM DIOXIDE  
PIGMENT PLANT

|                     |       |      |      |
|---------------------|-------|------|------|
| (TAIWAN ALKALI CO.) | 15.00 | 6.75 | 3.38 |
|---------------------|-------|------|------|

(8) GYPSUM BOARD PLANT  
(CHINA PHOSPHATE

|                   |      |      |      |
|-------------------|------|------|------|
| INDUSTRIAL CORP.) | 8.00 | 3.60 | 1.80 |
|-------------------|------|------|------|

(9) EXPANSION OF COPPER  
SMELTER AND

CONSTRUCTION OF NEW  
SULFURIC ACID PLANT

(TAIWAN METAL MINING

|        |       |      |      |
|--------|-------|------|------|
| CORP.) | 10.00 | 4.50 | 2.25 |
|--------|-------|------|------|

(10) ALUMINUM PLANT  
EXPANSION AND

MODERNIZATION

(TAIWAN ALUM.

|        |       |      |      |
|--------|-------|------|------|
| CORP.) | 18.00 | 8.10 | 4.05 |
|--------|-------|------|------|

(11) ENGINE MANUFAC-  
TURING PLANT

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(TAIWAN MACHINE

|             |       |      |      |
|-------------|-------|------|------|
| MFG. CORP.) | 22.00 | 9.90 | 4.95 |
|-------------|-------|------|------|

|       |        |        |       |
|-------|--------|--------|-------|
| TOTAL | 236.80 | 106.57 | 41.74 |
|-------|--------|--------|-------|

5. AT CONCLUSION OF WORKING SESSION, CHAIRMAN DUBRUL AND MINISTER FEI PARTICIPATED IN CEREMONIAL SIGNING OF A \$54 MILLION LOAN AGREEMENT FOR TELECOMMUNICATIONS EQUIPMENT FOR ROC DIRECTORATE GENERAL OF TELECOMMUNICATIONS (DGT). CAL AIRCRAFT LOAN, ORIGINALLY SCHEDULED TO BE SIGNED AT THE SAME TIME, WAS NOT READY SINCE PARTICIPATING COMMERCIAL BANKS HAD NOT COMPLETED THEIR PROCEDURES.

6. DUBRUL MET WITH AMERICAN CHAMBER OF COMMERCE AT BREAKFAST AND WITH REPRESENTATIVES OF U.S. BANKS AT

DINNER. DISCUSSION CENTERED ON IMPLICATIONS OF  
U.S. CHINA POLICY (NORMALIZATION OF RELATIONS WITH PRC)  
FOR FUTURE OF U.S. INVESTMENTS AND LOANS IN ROC.

7. COMMENT. CHAIRMAN DUBRUL CLEARLY WAS IMPRESSED  
WITH ECONOMIC SITUATION HERE AND WITH WAY GROC IS  
MANAGING ECONOMIC POLICY OF "GROWTH WITH STABILITY".  
ON SEVERAL OCCASIONS HE EXPRESSED COMPLETE  
SATISFACTION WITH EXIMBANK'S RELATIONSHIP WITH ROC,  
AND HE SAW NO REASON WHY THIS RELATIONSHIP COULD NOT  
CONTINUE ON MUTUALLY BENEFICIAL BASIS IN THE FUTURE.  
IN THAT CONNECTION, HE SUGGESTED TO ROC HOSTS THAT IT  
WOULD BE USEFUL TO EXIMBANK TO HAVE AN OVERALL PICTURE  
OF ROC'S FINANCIAL REQUIREMENTS FOR THE NEW  
SIX-YEAR PLAN, INCLUDING -IN AS MUCH DETAIL AS  
POSSIBLE - THE REQUIREMENTS FOR FOREIGN FINANCING.  
MINISTER FEI PROMISED TO PROVIDE THIS INFORMATION.  
UNGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DATA, VISITS, BANK LOANS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976TAIPEI05243  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760298-0788  
**From:** TAIPEI  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760890/aaaadbhr.tel  
**Line Count:** 187  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION XMB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**TAGS:** OVIP, EFIN, TW, XMB, (DUBRUL, STEPHEN M JR)  
**To:** STATE  
**Type:** TE  
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